

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

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| Petition of KeySpan Energy Delivery New England |) | |
| for Approval of its Long-Range Forecast and Resource |) | |
| Plan for the five-year period 2001/02 through 2005/06 |) | D.T.E. 01-105 |
| pursuant to G.L. c. 164, §§ 69 (I) <i>et. seq.</i> |) | |

**ATTORNEY GENERAL'S SECOND SET OF
DOCUMENT AND INFORMATION REQUESTS**

The following are the Attorney General's Second Set of Document and Information Requests in the above captioned proceeding.

INSTRUCTIONS

1. These Document and Information Requests call for all information, including information contained in documents, which relates to the subject matter of the requests and which is known or available to KeySpan Energy Delivery-New England or to any individual or entity sponsoring testimony or retained by the Company to provide information, advice, testimony or other services in connection with this proceeding.
2. Where a Request has a number of separate subdivisions or related parts or portions, a complete response is required to each such subdivision, part, or portion. Any objection to a Request should clearly indicate the subdivision, part, or portion of the Request to which it is directed.
3. If information requested is not available in the exact form requested, provide such information or documents as are available that best respond to the Request.
4. These requests are continuing in nature and require supplemental responses when further or different information with respect to the same is obtained.
5. Each response should be furnished on a separate page headed by the individual Request being answered. Individual responses of more than one page should be stapled or bound and each page consecutively numbered.

6. Each Document and Information Request to "Please provide all documents..." or similar phrases includes a request to "identify" all such documents. "Identify" means to state the nature of the document, the date on which it was prepared, the subject matter and the titles and the names and positions of each person who participated in the preparation of the document, the addressee and the custodian of the documents. To the extent that a document is self-identifying, it need not be separately identified.
7. For each document produced or identified in a response which is computer generated, state separately (a) what types of data, files, or tapes are included in the input and the source thereof, (b) the form of the data which constitutes machine input (e.g., punch cards, tapes), (c) a description of the recording system employed (including descriptions, flow charts, etc.), and (d) the identity of the person who was in charge of the collection of input materials, the processing of input materials, the data bases utilized, and the programming to obtain the output.
8. If a Document and Information Request can be answered in whole or part by reference to the response to another Request served in this proceeding, it is sufficient to so indicate by specifying the other Request by participant and number, by specifying the parts of the other response which are responsive, and by specifying whether the response to the other Request is a full or partial response to the instant Request. If it constitutes a partial response, the balance of the instant Request must be answered.
9. If the Company cannot answer a Request in full, after exercising due diligence to secure the information necessary to do so, state the answer to the extent possible, state why the Company cannot answer the Request in full, and state what information or knowledge is in the Company's possession concerning the unanswered portions.
10. If, in answering any of these Document and Information requests, you feel that any Request or definition or instruction applicable thereto is ambiguous, set forth the language you feel is ambiguous and the interpretation you are using responding to the Request.
11. If a document requested is no longer in existence, identify the document, and describe in detail the reasons the document is unavailable.
12. Provide copies of all requested documents. A response which does not provide the Attorney General with the responsive documents, and requests the Attorney General to inspect documents at any location is not responsive.

13. If you refuse to respond to any Document and Information Request by reason of a claim or privilege, or for any other reason, state in writing the type of privilege claimed and the facts and circumstances you rely upon to support the claim of privilege or the reason for refusing to respond. With respect to requests for documents to which you refuse to respond, identify each such document.
14. Each request for information includes a request for all documentation which supports the response provided.
15. Provide four copies of each response.
16. The term "Company" refers to KeySpan Energy Delivery-New England. Unless the request specifically provides otherwise, the term Company includes all witnesses, representatives, employees, and legal counsel.
17. Please furnish each response on a separate sheet of paper, beginning with a restatement of the question.

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| Petition of KeySpan Energy Delivery New England for Approval of its Long-Range Forecast and Resource Plan for the five-year period 2001/02 though 2005/06 pursuant to G.L. c. 164, §§ 69 (I) <i>et. seq.</i> |)))))) | D.T.E. 01-105 |
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| AG-2-1 | <p>Refer to page 28 of the Company's filing. Please provide a complete copy of all filings the Company has made to obtain the necessary approvals for the distribution upgrades/replacements it intends to make to its "Bourne line." If during the course of these proceedings the Company makes additional filings related to these or any other distribution upgrades/replacements on the Cape, please provide copies of all these filings when they are made.</p> |
| AG-2-2 | <p>Has the Company, Boston Gas, Colonial-Lowell, Colonial-Cape Cod or Essex imposed a moratorium on new connections or customer conversions in the past 10 years (1992-2001)? If yes, please provide a detailed explanation of each instance. Explain the conditions that required the moratorium and the conditions that allowed the lifting of the moratorium. The response must identify the specific geographic area affected, the specific constraint(s) and the specific remedies.</p> |
| AG-2-3 | <p>During the past 10 years (1992-2001) has the Company, Boston Gas, Colonial-Lowell, Colonial-Cape Cod or Essex offered any incentives to existing customers to convert to gas heat or incentives to attract new customers to use gas? If yes, please provide the details (amount of the incentive, target customer group, effective dates etc.) of each of these efforts. Identify, for each of the past 10 years, the geographic area where incentives were offered, the number of conversions and/or new customers, by customer class, that were obtained through the incentive program and the estimated annual and peak day therm usage of these customers. Identify and describe (amount of the incentive, target customer group, effective dates etc.) any incentive programs that are currently in place and any that are</p> |

planned and provide the geographic area for each program.

- AG-2-4 Refer to pages 22-23 of the Company's filing. If Colonial had constructed the LNG facility on the Cape, how would this have served the customers on the Cape—specifically, would the Bourne line distribution system upgrades have been necessary (if yes, of what magnitude, location and cost); for what period of time would the Company have been able to serve its existing customers with the LNG facility and related upgrades; for what period of time would the Company have been able to serve growth on the Cape with the LNG facility and related upgrades?
- AG-2-5 Please provide a copy of Colonial's response to Record Request DTE-CGC-1, in DTE 98-90 referred to on page 23, footnote 13 of the Company's filing. Did the Department accept the Colonial Supply Plan filed in DTE 98-90 with the assumption that there would be a new LNG facility on the Cape? If not, explain what the Department approved as providing the least cost reliable service to the Cape for the forecast period.
- AG-2-6 In DTE 98-90 did the Department approve a Supply Plan that included the three system upgrades that are described in the Company's filing on page 25—increasing pressure on the Sagamore line, 12 inch main replacement along Sandwich Road, and the new regulator station at the interconnect at the Falmouth feeder line and the Bourne line? If these upgrades were not part of the approved plan, what was the basis for the Company's decision to initiate these particular upgrades at this time?
- AG-2-7 Refer to page 23 of the Company's filing. Please provide all documentation that supports the statement that "the load growth on the Cape is occurring at a faster rate than previously anticipated". Include a comparison of the load growth on the Cape anticipated in DTE 98-90 and that was relied on by the Company in making its decision not to pursue the LNG facility and to pursue "incremental supply." What is the incremental supply that the Company has obtained to serve load growth on the Cape?
- AG-2-8 Please provide copies of **all** analyses conducted by Colonial Gas Company and/or KeySpan employees or consultants related to the need for additional gas service deliverability to the Cape. These analyses should include all analyses presented to public and regulatory agencies, as well as analyses used for internal purposes (BOD presentations, capital and/or expense budgeting, project development, etc.). Include all workpapers, calculations, assumptions and supporting documentation and materials. Identify the date each of the analyses were completed, the date presented or filed and the name of the individual responsible for preparing each analysis. This response must include all analyses referred to on page 29 of the

Supply Plan.

- AG-2-9 What actions were taken by Colonial and/or KeySpan to enable the construction of the LNG facility on the Lower Cape as planned in Colonial's Supply Plan approved in DTE 98-90? Provide copies of all filings made with the DTE, Siting Board or other regulatory or permitting agencies regarding the LNG facility. Provide any and all documentation of internal approvals of the LNG facility. Provide all analyses and estimates of the cost of the facility done for internal and/or external purposes. Include all workpapers, calculations, assumptions and supporting documentation and materials.
- AG-2-10 Refer to page 24 of the Company's filing. What specifically is meant by "the enhanced position of the KeySpan resource portfolio?" Describe the "enhancements" and how they permitted the Company to take advantage of the HubLine Project.
- AG-2-11 What is the capacity of the HubLine? How much of the HubLine capacity has been subscribed? Please provide the names of the entities that have subscribed to the HubLine, the amount of capacity each has subscribed to and the percentage of the total HubLine capacity each entity's subscription represents. Also, indicate whether the transportation rates applicable for each quantity for each entity will be for Firm tariffed service, Interruptible tariffed service, Firm negotiated rate service, Interruptible negotiated rate service or some other type of rate (describe service and rates).
- AG-2-12 Is the gas supply to the Canal 2 electric generating plant delivered via Algonquin's G Lateral? If not, what interstate pipeline delivers the gas? Does KeySpan serve Canal 2? If yes, is it served as a firm or interruptible customer? What are the contract quantities?
- AG-2-13 Is the gas supply for Edgar/Sithe (to be) delivered via Algonquin's G Lateral? If not, what interstate pipeline delivers the gas? Does/will KeySpan serve Edgar/Sithe? If yes, will/is it served as a firm or interruptible customer? What will be/are the contract quantities? Please provide copies of all contracts between Sithe and the Company (including Boston Gas Company) related to service at the former Edgar electric generating station—including any contracts for system upgrades.
- AG-2-14 Please provide a map showing exactly how gas will flow from the HubLine to specific delivery points on the KeySpan distribution system. Indicate for each delivery point the maximum capacity and the delivery pressure. Indicate the distribution areas (towns or neighborhoods) that are served by gas received at each delivery point.

- AG-2-15 Please provide copies of all gas supply contracts and agreements (originals and all amendments) for gas that will be delivered via the HubLine. If there are no contracts currently in place, please describe what specific supply resources the Company intends to use. For supply contracts that are currently in place and are flowing to the Company, please provide the details of the related pipeline capacity that will be “excess” or “freed-up” as the result of the Company’s use of the HubLine facility during each year 2002-2006. Include the actual amount of capacity, the pipeline name, the contract number or identifier used in the Company’s Supply Plan and the cost of the freed up capacity (provide all workpapers, calculations, assumptions and supporting material related to the cost calculations). Please explain how the Company will “use” this capacity.
- AG-2-16 Please provide a map showing how the areas that are to be served by gas delivered via the HubLine are currently served. Identify specific delivery points and connecting interstate pipelines or other facilities. Indicate for each delivery point the maximum capacity and the delivery pressure. Indicate the distribution areas (towns or neighborhoods) that are served by gas received at each delivery point.
- AG-2-17 How does the Company (and in the past, Boston Gas, Colonial and Essex) evaluate the adequacy of its distribution system? Provide copies of all analyses completed during the past 5 years (1998-present). Include all supporting documentation, calculations and assumptions. Indicate who prepared each analysis (Company department or division, consultant) and identify the purpose (capital budget, project approval, marketing department analysis, regulatory filing, etc.).
- AG-2-18 For each of the Company’s gas service areas, what is the maximum level of growth that can be accommodated by the current in-service distribution system. Compare this maximum growth level to the growth for each gas service area that the Company has incorporated in Supply filing. If the Company is projecting growth in excess of that can be reliably served by the current distribution system, how and when will the Company expand the system to accommodate the projected growth. Please provide all analyses and planning documents that support all planned distribution system expansions for the period 2001-2006.
- AG-2-19 Refer to the response to DOER-1-35. Please describe the extent of “growing need for city-gate deliverability on...portions of the Boston Gas system served by Algonquin pipeline.” What are the potential ramifications to Boston Gas customers should the HubLine experience significant delays (2 or more years) or be cancelled? What is the Company’s contingency plan for serving both the Boston Gas customers and the Cape customers that are dependent on the HubLine should the HubLine not go into service in the foreseeable future?

- AG-2-20 How will the Company recover the distribution upgrades the Company has made on the Cape (through incremental revenues generated by customer growth, through base rates paid by Colonial-Cape customers only, base rates paid by KeySpan customers, or through some other mechanism—describe)? See discussion on pages 24-25. Please provide all materials filed with the DTE and approvals granted related to these upgrades. Include the final cost of each of the three projects and the date completed and the in-service date if different than the date completed.
- AG-2-21 How will the Company recover the costs of distribution upgrades the Company proposes to make to the Bourne line (through incremental revenues generated by customer growth, through base rates paid by Colonial-Cape customers only, base rates paid by KeySpan customers, or through some other mechanism—describe)? See discussion on page 28. Please provide all materials filed with the DTE and approvals granted related to these upgrades. Include the estimated final cost of each of the phases and the expected completion dates. What is the current status of these upgrades?
- AG-2-22 In analyzing the benefits of the HubLine, what range of costs were assumed? What construction cost review opportunities are available to the Company regarding the HubLine project? What cost over-run protection does the Company have? If none, please provide an assessment of the Company's exposure to increased costs related to this project.
- AG-2-23 Assume HubLine rates were 2.5 times the currently anticipated level, what would the impact be on the Colonial-Cape CGA for the peak and off peak periods for the forecast years? Provide all supporting workpapers, calculations and assumptions.
- AG-2-24 Refer to page 22, footnote 12. Please provide the details of how "certain" demand costs are allocated among the companies. Identify what the "certain" demand costs are. The requested details must include an explanation of how these costs were allocated in the companies' 2001/02 peak CGA (illustrate the explanation with specific references and annotations to documents supporting the companies' last interim CGA filing made in February, 2002 for effect March 1, 2002). Include specific references to the Department's orders in DTE 98-128 and DTE 98-27.
- AG-2-25 Referring to the Company's statement that it will be seeking approval to combine the companies' individual CGA factors into one, is it the Company's position that all of the Company's resource **can** (physically) serve all of the Company's customers?

- AG-2-26 As part of its request to combine the companies' CGA factors into one, is the Company also going to propose that capacity be assigned based on a single gas service area? If not, what would be a logical (based on the actual resources used to serve customers) definition of gas service areas? Would the Company consider using the gas service areas for the determination of separate CGA factors? If not, why (other than administrative ease)? Provide a calculation of off-peak 2002 CGA factors for each gas service area. Include all workpapers, calculations, assumptions and supporting documentation and materials.
- AG-2-27 Please provide a copy of the filing the Company anticipated it would file during the first quarter of 2002 requesting approval to consolidate the CGA factors. If the filing has not been made, please explain why. Provide copies of written communication (including e-mail) or notes or other documentation of any other communications between the Company and the Department regarding the allocation of costs and/or the design of rates. The requested communications related materials should contain the dates of the communications and the names of the individuals, both Company staff and consultants, and DTE staff.
- AG-2-28 Refer to page 24 of the Company's filing. Who is responsible for paying for the upgrades or expansions on Algonquin's G Lateral (all customers served from the G Lateral, customers served by the upgrade/expansion, tariffed customers, negotiated rate customers...)? Who receives the benefits of these upgrades/expansions?
- AG-2-29 Refer to Chart II-A-2. Please provide a hypothetical "daily game plan" for the design day (Base and High cases) for each year during the forecast period.
- AG-2-30 Refer to Chart II-A-2. Please provide a "daily game plan" reflecting the actual dispatch for peak day for each of the past 2 years (1999/2000, 2000/01).
- AG-2-31 Refer to the response to DOER 1-47. Please confirm that the Company has no gas supply commitment for any volumes that would be transported on the HubLine. The Company indicates that it will rely on purchasing gas supply at the Beverly receipt point--will these purchases be spot purchases? If yes, why has the Company decided to rely on spot purchases rather than contracting for a specific level of supply or a combination of contract and spot? Please provide all analyses supporting the Company's position. Please provide all documentation that supports the Company's belief that sufficient volumes of gas will be available to the Company at this point. Include the Company's estimates of the prices for HubLine gas (fixed and variable components, for peak and off peak) and the basis for the price assumptions. Should adequate supplies at Beverly not be available, what is the Company's contingency plan?

- AG-2-32 Refer to the response to DOER-1-12. What criteria does the Company use to determine when to implement transportation segmentation? What conditions were present during January 2001 that led the Company to engage in segmentation? Did the Company initiate the segmentation transactions or were they initiated by El Paso as part of the capacity management arrangement? Did El Paso receive any financial benefit as a result of these segmentation related transactions? If yes, provide the amounts and include the specific language contained in the capacity management contract or any other contract with El Paso that governs the payment or allocation of financial benefits.
- AG-2-33 What economic analysis was done to support the decision to engage in segmentation during January 2001? Provide the details of the analysis. Were there any other times during the past two years when the Company analyzed the potential benefits of segmentation and rejected it? If yes, describe the conditions, the transactions analyzed and the result of the analysis.
- AG-2-34 Refer to the Company's response to DTE 2-2. Who is the portfolio manager for KeySpan New York and Long Island? If the Company were to issue a joint RFP for capacity management services with KeySpan New York and Long Island, how would KeySpan ensure that there will be no market power issues.
- AG-3-35 Is it possible to extend the current El Paso contract through March 31, 2003? If yes, would the payment terms be the same? If not, please explain what anticipated changes are expected.
- AG-2-36 Has the Company or Boston Gas, Colonial or Essex entered into any gas transportation, supply or storage related transaction with any other affiliated since the KeySpan acquisition? If yes, please provide the details of each such transaction. Identify the affiliates involved, the reason for the transaction, the benefit to each of the affiliates involved and the analysis supporting the benefit determination. Include all affiliate agreements governing the transactions and provide the basis for the allocation of all related costs and benefits.
- AG-2-37 How does the Company determine the pressure at which gas is delivered by an interstate pipeline? What has been the delivery pressure (peak day and average per month) at Bourne, Sagamore and Ponkapoag during the past year (January, 2001 through December, 2001)?

Dated: April 19, 2002